

**RULES  
OF  
STATE BOARD OF EQUALIZATION**

**CHAPTER 0600-8  
PROPERTY TAX EXEMPTIONS**

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**0600-8-.01 APPLICATION FORM AND FEES.**

- (1) Persons applying for property tax exemption shall apply on a form approved by the Board and pay a fee to defray the expense of processing the application, as provided in this rule. The fee shall be proportionate to the value of the property as estimated by staff based on available information. The fee shall be twenty-five dollars (\$25) for properties valued at less than \$100,000, thirty-five dollars (\$35) for property valued from \$100,000 to less than \$250,000, fifty dollars (\$50) for property valued from \$250,000 to less than \$400,000, and one hundred dollars (\$100) for property valued at \$400,000 or more. The fee shall be due upon the filing of the application.
- (2) If the Board determines that the cost associated with processing exemption applications in a given year was less than the amount of fees paid, the excess of fees paid over cost shall be refunded ratably to each payor during the year.

**Authority:** T.C.A. §§67-1-305 and 67-5-212 (b). **Administrative History:** Original rule filed April 30, 2004; effective July 14, 2004.

**0600-8-.02 CRITERIA FOR EXEMPTION OF LAND.**

- (1) The purpose of this rule is to establish criteria for determining eligibility of land for religious, charitable, educational or scientific exemption from property taxes.
- (2) Land must be in actual use for exempt purposes of the exempt institution before it may qualify for exemption. Land will be presumed to be in use if
  - (a) it is land underlying exempt structures or paving;
  - (b) if the total land area claimed for exemption, including that which is underlying exempt structures, is five acres or less; or
  - (c) if the land exceeds the foregoing measures but is nevertheless necessary to meet government health, planning, or other requirements for configuration or minimum area prior to granting of any variance. In the absence of locally adopted zoning standards, resort may be had to requirements imposed for similar structures in nearby communities that impose zoning requirements or to zoning requirements recommended by a model generally accepted or used in this state. For purpose of this presumption the minimum area thus determined will be multiplied by a factor of 1.5.
- (3) The presumption in this rule is rebuttable. The assessor or taxing jurisdiction may rebut the presumption by proving that vacant land otherwise within the presumption is not being used for exempt purposes or is being offered for sale as a tract separate from the remaining land in use. The applicant for exemption may rebut the presumption by proving that vacant land which would be denied exemption under the presumption, is in fact being regularly used for exempt purposes qualifying for exemption in accordance with law.

(Rule 0600-8-.02, continued)

- (4) This rule shall not operate to disqualify property previously approved for exemption if it has not been subjected to a nonexempt use since its approval.
- (5) Land held solely for future construction or other future uses does not qualify for exemption. Land that is held solely or primarily for its preservation, conservation, protection, or its scientific or ecological significance will not be eligible for exemption under T.C.A. section 67-5-212 unless and to the extent there is a clear showing of active research or other active exempt use taking place on the subject property.

**Authority:** T.C.A. §§67-1-305 and 67-5-212 (b). **Administrative History:** Original rule filed April 30, 2004; effective July 14, 2004.

**0600-8-.03 CRITERIA FOR EXEMPTION OF MEDICAL CLINICS.**

- (1) As used in this rule “clinic” means a facility other than a hospital or other licensed health care facility that provides primary medical care.
- (2) A clinic owned by a charitable institution will be approved for exemption as a charitable use of property if the following criteria are met:
  - (a) Services are targeted to areas of unmet need rather than to enhance the economic interests or viability of the owner.
  - (b) The clinic does not decline TennCare or Medicare patients; and
  - (c) Compensation to physicians or employees is not dependent on the volume of business or billings.

**Authority:** T.C.A. §§67-1-305 and 67-5-212 (b). **Administrative History:** Original rule filed April 30, 2004; effective July 14, 2004.